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November 14, 1997

HAND DELIVERED

Mr. K. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Re: Docket No. 97-00888
Request for Designation as Eligible Telecommunication Carrier
Loretto Telephone Company, Inc.

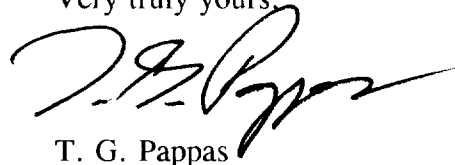
Dear Mr. Waddell:

Enclosed please find an original and thirteen (13) copies of the Request of Loretto Telephone Company, Inc. for designation as an Eligible Telecommunications Carrier pursuant to the TRA's Order of November 3, 1997.

We would appreciate it if you would call the filing of this Request to the attention of the Directors for their consideration.

Thanking you, with kindest regards, I remain

Very truly yours,



T. G. Pappas

TGP/bfs:563867

cc: Dr. Austin Lyons
Dennis McNamee, Esq.
Thomas Moorman, Esq.
Counsel of Record
Desda Hutchins

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

IN RE: **UNIVERSAL SERVICE**)
) **Docket No. 97-00888**
GENERIC CONTESTED CASE)

LORETTO TELEPHONE COMPANY, INC.'S
REQUEST FOR DESIGNATION AS
ELIGIBLE TELECOMMUNICATIONS CARRIER

Pursuant to the Tennessee Regulatory Authority's ("TRA"), Order of November 3, 1997 (the "Order") in the above styled Docket and Section 214 of the Telecommunications Act of 1996 ("1996 Act"), Loretto Telephone Company, Inc. ("Loretto") hereby requests that the TRA designate and certify Loretto as an Eligible Telecommunications Carrier ("ETC") in its incumbent local exchange carrier ("LEC") service area for federal universal service support purposes. In order to maintain uninterrupted cost recovery from the new federal universal service mechanism, Loretto requests that this designation be granted prior to January 1, 1998. Loretto respectfully shows the following:

1. As set out in TRA's Order, and pursuant to 47 C.F.R. § 54.201(b) of the rules and regulations of the Federal Communications Commission ("FCC") and 47 U.S.C. § 214(e)(2), the TRA "shall upon its own motion, or upon request, designate a common carrier that meets the requirements of Section 214(e)(1) as an eligible telecommunications carrier for a service area designated by the State Commission." Also, pursuant to 47 U.S.C. § 214(e)(1), a common carrier that has been designated as an eligible telecommunications carrier "shall be eligible to receive universal support in accordance with Section 254."

2. Loretto is a "rural telephone company" as defined in 47 U.S.C. § 153(37). Loretto meets all of the requirements of an ETC or is entitled to a waiver. Accordingly, in this sworn request Loretto affirms that it will: (a) offer and provide the services that are supported by federal universal service mechanisms as defined in 47 C.F.R. § 54.101, except as to the toll control requirement contained within the definition of toll limitation (see paragraph 3 below); (b) provide the services over its own facilities, or a combination of its own facilities and the resale of another carrier's services; (c) that it will advertise the availability of the services that it provides and the charges for those services at each of its business offices, in its telephone directories, and as may otherwise directed by the TRA; and (d) that the service area for which it is requesting ETC status is its incumbent LEC service area which is its "study area," as provided for by 47 U.S.C. § 214(e)(5).

3. With respect to toll limitation services, Loretto submits that virtually no LEC in the nation is capable of providing this service as the FCC has defined it. The FCC has defined "toll limitation" as the provision of both toll blocking and toll control. 47 C.F.R. § 54.400(a)(4). Loretto believes that the "toll control" requirement was apparently added by the FCC at the final stage of the federal rulemaking without much, if any, comment by LECs. Such service would require real-time capability to record and rate every call instantaneously as the caller attempts to make a toll call. See generally 47 C.F.R. § 54.400(a)(3). The ability to provide this service also assumes that LECs will be able to differentiate between toll calls and other types of calls. Loretto has been advised that this misunderstanding regarding rational expectations of LEC capabilities has already been explained to FCC staff, and that the issue will likely be reevaluated in anticipated FCC reconsideration orders. Loretto is prepared to offer toll

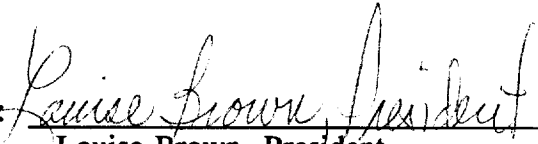
blocking. However, it is not prepared to offer toll control for the reasons stated above. Given that the matter of toll control is likely to receive reconsideration Loretto requests that, in a manner consistent with the requirements of 47 C.F.R. § 54.101(c), the TRA grant a blanket waiver with respect to the offering of the "toll control" requirement until such time as the FCC acts upon reconsideration requests of its decision to require toll control.


4. Loretto respectfully requests that the TRA designate and certify Loretto as an Eligible Telecommunications Carrier in its "study area" which is its incumbent LEC service area


and grant the waivers as requested. Loretto further requests that such designation be made by the TRA prior to January 1, 1998.

Respectfully submitted,

LORETTO TELEPHONE COMPANY, INC.

By: 
Louise Brown, President


T. G. Pappas (#2707)
Bass, Berry, & Sims PLC
2700 First American Center
Nashville, Tennessee 37238

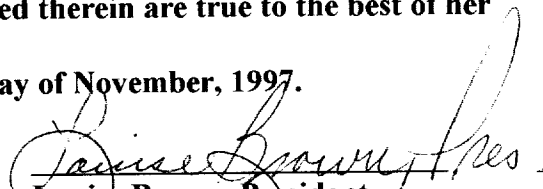

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Attorneys for Loretto Telephone Company, Inc.


STATE OF TENNESSEE)

COUNTY OF LAWRENCE)

Louise Brown, after being duly sworn, states that she is President, a Senior Officer of Loretto Telephone Company, Inc., and that she has read the foregoing Request for Certification as an Eligible Telecommunications Carrier to be filed with the Tennessee Regulatory Authority and that the matters stated therein are true to the best of her knowledge, information, and belief, this 13th day of November, 1997.


Louise Brown, President

Sworn to and subscribed before me this 13th day of November, 1997


Notary Public

My Commission Expires:

May 30, 1999

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been mailed,
U. S. mail, postage prepaid, to the following persons, this the 14th day of November, 1997.

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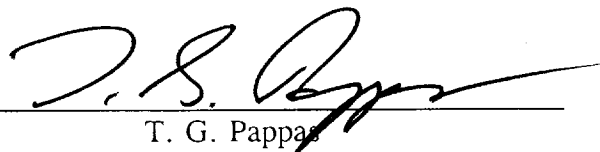
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